

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 01210 261840Z

66

ACTION EUR-25

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-10 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SPC-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 DRC-01 /177 W

----- 043510

R 261800Z FEB 74

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 0007

INFO AMEMBASSY BONN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

LIMITED OFFICIAL USE BRUSSELS 1210

STATE FOR T/IEP

E. O. 11652: N/A

TAGS: ENRG, BE

SUBJECT: ENERGY: RETAIL PRICE DEBATE AND SUPPLY SITUATION

REF: BRUSSELS 1155

1. GOB, WHICH REFUSED AGAIN ON FEBRUARY 22 TO CONSIDER INDUSTRY REQUEST FOR INCREASE IN GOVERNMENT CONTROLLED RETAIL PETROLEUM PRICES, HAS FORMALLY BLOCKED ALL PRICE CHANGES FOR NEXT TWO MONTHS BUT

AUTHORIZED AN ADDITIONAL BF0.15 PER LITER TO DISTRIBUTORS AND STATION OPERATORS. INCREASE WILL COME FROM GOVERNMENT'S TAX SHARE OF FINAL PRICE.

2. DISTRIBUTORS (THOSE WITHOUT INCOUNTRY REFINERIES) HAVE ALL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 01210 261840Z

ANNOUNCED THAT THEIR OUTLETS WILL CLOSE AS SOON AS EXISTING STOCKS

ARE EXHAUSTED. SEVERAL MAJOR REFINERS (E.G., ESSO) HAVE PUBLICLY STATED THAT THEY INTEND TO CUTBACK IF NOT CEASE CRUDE PETROLEUM DELIVERIES TO BELGIUM UNTIL A PRICE ADJUSTMENT IS AUTHORIZED; WHICH WILL CAUSE THEM TO CLOSE DOWN THEIR LOCAL OUTLETS AS SOON AS EXISTING STOCKS ARE EXHAUSTED.

3. INDUSTRY SOURCES EXPECT SHORTAGES TO APPEAR WITHIN NEXT FEW DAYS AS OUTLETS CLOSE AND CUSTOMERS SHIFT TO THOSE REMAINING OPEN. NEVERTHELESS, AT LEAST ONE INDUSTRY SOURCE ESTIMATES THAT EXISTING STOCKS OF CRUDE AND OPERATIONAL STOCKS OF REFINED PRODUCTS SHOULD BE SUFFICIENT TO MEET MOST DEMANDS UNTIL AFTER THE UPCOMING ELECTIONS, I. E., MARCH 10. (USE OF APPROXIMATELY 65 DAYS OF STRATEGIC STOCKS REQUIRED BY EC REGULATIONS WOULD PRESUMABLY NEED EC CONCURRENCE UNLESS GOB WAS PREPARED TO FLOUT ITS EC COMMITMENTS.) NEVERTHELESS THE LOCAL SUPPLY SITUATION IS TIGHT, GETTING TIGHTER (ROTTERDAM-ANTWERP PIPELINE REPORTEDLY OPERATING AT LESS THAN HALF OF NORMAL THROUGHPUT), AND COULD YET BECOME ISSUE IN CURRENT POLITICAL CAMPAIGN.

4. ONE INDUSTRY SOURCE HINTED THAT MAJOR COMPANIES ARE PULLING BACK FROM COLLISION COURSE WITH GOB IN VIEW OF PREVAILING POLITICAL SITUATION IN BELGIUM, ALTHOUGH COMPANIES WILL CONTINUE TO CUTBACK CRUDE OIL DELIVERIES TO BELGIUM. ANOTHER SOURCE COMMENTED THAT THE MAJORS ARE RELATIVELY UNSYMPATHETIC TO BELGIUM GIVEN ITS LONG STANDING REPUTATION (TOGETHER WITH ITALY) AS A LOW PROFIT MARKET. CUTTING BACK CRUDE DELIVERIES TO BELGIUM, HE POINTED OUT, ENABLES MAJORS TO SHIFT SUPPLIES TO OTHER COUNTRIES THEREBY RELIEVING DEMAND PRESSURES IN TODAY'S TIGHT SUPPLY SITUATION.  
BOOCHEVER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, PETROLEUM PRODUCTS, SUPPLIES, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BRUSSE01210  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740210/aaaaaiob.tel  
**Line Count:** 93  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** BRUSSELS 1155  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 APR 2002 by elyme>; APPROVED <03 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENERGY: RETAIL PRICE DEBATE AND SUPPLY SITUATION  
**TAGS:** ENRG, BE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005